

Exhibit 54

Jeff Amy, *Kemper overruns claim Miss. Power's president*, YAHOO NEWS (May 20, 2013),
<https://news.yahoo.com/kemper-overruns-claim-miss-powers-230926538.html>

**AP**

Kemper overruns claim Miss. Power's president

Kemper overruns claim Miss. Power's Day, with questions about how trouble affects Southern Co.

Jeff Amy, Associated Press

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JACKSON, Miss. (AP) -- Ed Day said his main job as president of Mississippi Power Co. was to successfully complete the company's Kemper County power plant.

Now, more than \$1 billion in cost overruns at the coal-fired plant have claimed his job, and parent Southern Co. has sent in a top executive to try to salvage the mess.

Day abruptly resigned Monday as president of Mississippi Power. His replacement, effective immediately, is Ed Holland.

Until Monday, Holland had been the Atlanta-based parent company's top lawyer. He also led an internal inquiry into the April announcement that Kemper was an additional \$540 million over budget. Along the way, Holland found that Day failed to respond to requests from a Mississippi Public Service Commission lawyer about when company executives knew about a previous \$376 million overrun that was announced in May 2012.

Holland told commission lawyer Shawn Shurden last week that Day had failed to respond.

"In a subsequent management meeting, Ed Day directed or definitely inferred that the documents should not be given to the commission, and these documents were never given to the commission," said Northern

Holland denies Day tried to defy regulators.

"There was no intentional withholding of information," Holland said. He said executives decided to communicate the information in a meeting, but failed to follow through. "We made a mistake of not delivering in a timely fashion," he said.

Holland said Day wasn't forced to resign, but said "the pressures" of Kemper and Mississippi Power's other operations probably motivated the decision.

Holland said Mississippi Power's vice president of generation, Tommy Anderson, also resigned recently and was not fired.

Mississippi Power, with 186,000 customers in 23 counties from Meridian to the Gulf Coast, often seems an afterthought for massive Southern Co. But now there's a chance that the woes of the company's smallest outpost will damage the utility's relationships with regulators elsewhere.

Southern Co. announced last month that what it calls Plant Ratcliffe was another \$540 million over budget, bringing the total cost of the plant, mine and pipelines to \$4.3 billion. The company said shareholders would absorb the latest overrun and that the parent company would give money to Mississippi Power over time to make up for the loss. Mississippi ratepayers will have to pay for \$2.4 billion of the plant's price, plus pay for up to another \$1 billion in bonds that Mississippi Power won't make a profit on.

The overrun was announced weeks after commissioners voted 2-1 to approve a 15 percent rate increase to start paying off the plant's debt even before it begins operations. That would be followed by a 3 percent increase in 2014. Mississippi Power has said it's likely in 2014 to seek an additional increase of at least 4 percent over 20 years to pay off the bonds.

Holland said Southern Co. still believes that Kemper's first-of-its kind technology, which would gasify soft lignite coal mined next door and extract carbon dioxide and other chemicals, is a good idea.

"We still believe that over time and in the long term, the plant will pay off," Holland said.

Any time Southern Co. CEO Tom Fanning talks about his company's advantages, he brings up the utility giant's "constructive regulatory



"At this point in time, Mississippi Power has no credibility with me," said Southern District Commissioner Leonard Bentz.

Southern Co. can't afford to lose trust, though, if it's going to escape its troubles in Mississippi, overcome critics of its profit margins in Alabama and smooth over cost overruns at the \$14 billion pair of nuclear reactors its building at Plant Vogtle near Augusta, Ga.

Georgia Power announced in February it will exceed its budget to build the Vogtle reactors. The utility has asked Georgia regulators to raise its share of the construction budget by \$737 million to roughly \$6.85 billion — and there could be additional costs.

Since Southern Co. shareholders were forced to absorb cost overruns in Mississippi, regulators may ask that they do the same in Georgia.

"It's pressure on the Georgia Public Service Commission to look out for ratepayers like the commission has done for Mississippi ratepayers," said Robert Baker, a former Georgia commissioner.

One test of whether that regulatory relationship still exists will come on Kemper. This summer, Mississippi Power will ask the PSC to declare that its spending at the plant has been prudent. With questions still circulating about whether the company concealed overruns when it was seeking key PSC approvals, questions could arise about whether the company should have known at some point that it was throwing good money after bad.

"Was there a point that stopping would have made sense?" Presley said. "I don't know the answer to that. I think we'll find out in the hearings."

Bentz continues to support Kemper, saying it's too risky for Mississippi Power to become overly reliant on natural gas as a fuel source. Still, he continues to say he will take a hard line in prudency reviews.

"We expect them to build the plant for \$2.4 billion," he said. "I have not wavered from that. I do not expect to waver from that."

Associated Press writer Ray Henry contributed to this report from Atlanta.

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